

LEGISLATURE OF NEBRASKA
NINETY-SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 464

Introduced by Wehrbein, 2

Read first time January 14, 1999

Committee: Appropriations

A BILL

1 FOR AN ACT relating to state government; to amend sections
2 77-27,156, 77-27,158, and 81-125.01, Reissue Revised
3 Statutes of Nebraska; to establish a limit on certain
4 appropriations and fund transfers; to provide duties for
5 the Governor, Legislature, and Nebraska Economic
6 Forecasting Advisory Board; to harmonize provisions; and
7 to repeal the original sections.
8 Be it enacted by the people of the State of Nebraska,

1 Section 1. (1) The purpose of this section is to limit
2 the growth in certain state government General Fund appropriations
3 and transfers to a calculated allowable increase over the prior
4 fiscal year based on estimates of personal income growth in the
5 State of Nebraska.

6 (2) For purposes of this section:

7 (a) General Fund means the fund maintained within the
8 state treasury for purposes of receiving revenue not designated by
9 law for deposit to another fund;

10 (b) General Fund operating transfer means a transfer of
11 financial assets from the General Fund to another fund or funds
12 without an appropriation but by lawful legislative direction to the
13 State Treasurer to make such transfer;

14 (c) New General Fund appropriation means an appropriation
15 enacted by the Legislature in the regular legislative session
16 immediately prior to the fiscal year to be limited, excluding
17 reappropriations and encumbrances from prior fiscal years; and

18 (d) State aid to political subdivisions means financial
19 assets of state government made available to a political
20 subdivision by an appropriation or transfer as authorized:

21 (i) For all governmental units, state aid paid pursuant
22 to sections 60-305.15 and 77-3523;

23 (ii) For municipalities, state aid to municipalities paid
24 pursuant to sections 18-2605, 39-2501 to 39-2520, 60-3007,
25 77-27,136, and 77-27,139.04 and insurance premium tax paid to
26 municipalities;

27 (iii) For counties, state aid to counties paid pursuant
28 to sections 39-2501 to 39-2520, 47-119 to 47-121.01, 60-3007,

- 1 77-27,136, and 77-3618 and insurance premium tax paid to counties;
2 (iv) For community colleges, state aid to community
3 colleges paid under sections 85-1536 to 85-1537;
4 (v) For natural resources districts, state aid to natural
5 resources districts paid pursuant to section 77-27,136;
6 (vi) For educational service units, state aid
7 appropriated under section 79-1241; and
8 (vii) For school districts, the amount of assistance paid
9 to a district pursuant to the Tax Equity and Educational
10 Opportunities Support Act and reimbursement received pursuant to
11 the Special Education Act.
- 12 (3)(a) For all fiscal years beginning on or after June
13 30, 1999, a portion of new General Fund appropriations and General
14 Fund operating transfers shall be limited to a percentage increase
15 over the prior year's new General Fund appropriations and General
16 Fund operating transfers enacted for operations and aid for the
17 same purposes. The limit shall be computed as an arithmetic
18 average of the percentage rate of growth of Nebraska personal
19 income for three consecutive calendar years.
- 20 (b) The three calendar years to be used in calculating a
21 fiscal year limit shall consist of the calendar year in which the
22 fiscal year to be limited begins and the two prior calendar years.
- 23 (c) Estimates for Nebraska personal income shall be
24 obtained from the most recent data publicly available from the
25 United States Department of Commerce, Bureau of Economic Analysis,
26 or its successor agency. Calendar year estimates of Nebraska
27 personal income shall be used when available and when not
28 available, quarterly data, averaged to an annualized estimate,

1 shall be used. If data is not available from the United States
2 Department of Commerce for any year required in the calculation of
3 the limitation, estimates will be developed by the Legislative
4 Fiscal Analyst and the Department of Revenue as part of their
5 duties required in section 77-27,159.

6 (d) This limitation applies only to new General Fund
7 appropriations and General Fund operating transfers made for
8 operations and certain state aid expenditures. This limitation
9 does not apply to new General Fund appropriations and General Fund
10 operating transfers for capital construction and state aid to
11 political subdivisions.

12 (4) Appropriations made by a political subdivision are
13 not subject to the limitation in this section.

14 Sec. 2. Section 77-27,156, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 77-27,156. To assist the Governor in developing
17 estimates of revenue pursuant to section 81-125 and the Legislature
18 in setting the rates of the income tax and sales tax pursuant to
19 section 77-2715.01 and to assist the Governor and Legislature in
20 complying with section 81-125.01, there is hereby created the
21 Nebraska Economic Forecasting Advisory Board.

22 Sec. 3. Section 77-27,158, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 77-27,158. The Nebraska Economic Forecasting Advisory
25 Board shall meet during the months of February and October of each
26 year and during April of each odd-numbered year for the purpose of
27 developing a consensus projection of economic activity in Nebraska.
28 When determined to be necessary to conduct the duties of the board,

1 additional meetings may be held at the call of the chairperson of
2 the board, by a joint call of the Governor and the chairperson of
3 the board, or by a joint call of the chairperson of the Executive
4 Board of the Legislative Council and the chairperson of the board.
5 Notice of all meetings shall be given at least ten days in advance.
6 The board may estimate growth or decline in the state unemployment
7 rate, gross state product, ~~statewide personal income~~, and such
8 other indices of state economic activity as the board may deem
9 appropriate. The board shall provide an advisory forecast of
10 General Fund receipts and Nebraska personal income estimates for
11 calendar years within their General Fund receipt forecasts.

12 Sec. 4. Section 81-125.01, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 81-125.01. (1) The Governor, when preparing the budget
15 provided for in section 81-125, and the Legislature, when preparing
16 its proposed budget, shall include a reserve requirement,
17 calculated pursuant to subsection (1) of section 77-2715.01, of not
18 less than three percent of the appropriations included in such
19 budget.

20 (2) The proposed budgets shall comply with the limitation
21 set forth in section 1 of this act and shall include a message that
22 describes personal income data and its source used to calculate the
23 limitation.

24 Sec. 5. Original sections 77-27,156, 77-27,158, and
25 81-125.01, Reissue Revised Statutes of Nebraska, are repealed.